

EASTMAN
REAL ESTATE

FOUR UNITS · SAN PEDRO

Offering Memorandum

1054 W 23RD STREET

$1,399,000 · ASSUMABLE 4.75% VA LOAN · SAN PEDRO, CA 90731

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EASTMAN REAL ESTATE PRESENTS

A four-unit San Pedro income property with an assumable 4.75% VA loan

1054 W 23rd Street is a four-unit property on a 5,016 sq ft lot in San Pedro's Vista Del Oro area: a 2-bedroom front house and three renovated 1-bedroom units in a rear building. One unit is vacant and furnished, so a buyer can move in or lease it. The existing M&T VA loan (about $1,135,000 at 4.75%) may be assumed by a qualified buyer, subject to lender approval.

Investment highlights

- **Assumable financing:** about $1,135,000 at 4.75%, maturing January 2053. P&I about $6,431/mo. Cash to loan at the asking price: $264,000 before closing costs.
- **Unit mix:** (1) 2 bd / 1 ba front house and (3) 1 bd / 1 ba rear units; 2,797 sq ft in two buildings.
- **Flexibility:** unit 1054½ is vacant and furnished (prior rent $2,117.70).
- **Recent work:** over $150,000 in capital improvements, including full renovation of the rear units, new water heaters and appliances, termite tenting (May 2023), exterior paint, vinyl gates, garage door and upgraded drainage.
- **Rent upside:** the front-unit lease makes the tenant responsible for all utilities except water (with a $50/mo credit); the owner has not enforced it and it can be reverted. Metering upgrade quoted at about $5,000–$6,000.
- **Location:** minutes from the West Harbor waterfront redevelopment and Downtown San Pedro.

$1,399,000	4	$349,750	$500
OFFERING PRICE	UNITS	PRICE / UNIT	PRICE / SQ FT

14.30	5.41%	11.05	7.47%
GRM (CURRENT)	CAP RATE (CURRENT)	GRM (PRO FORMA)	CAP RATE (PRO FORMA)

How the metrics are calculated. Current: in-place rents, with vacant unit 1054½ at its prior rent of $2,117.70 ($97,837.20/yr) plus laundry of about $250/yr; expenses are the current tax and insurance impound, whole-property utilities and landscaping ($22,353.36/yr). No vacancy allowance. Pro forma uses projected market rents. Property taxes will be reassessed on sale. Details on pages 6–7.

Property overview

ADDRESS	1054 W 23rd Street, San Pedro, CA 90731
APN	7463-001-019
UNITS	4: 1054, 1054½, 1056, 1058
UNIT MIX	(1) 2 bd / 1 ba front house · (3) 1 bd / 1 ba
BUILDING SIZE	2,797 sq ft (two buildings, two stories)
LOT SIZE	5,016 sq ft (0.1152 ac)
YEAR BUILT	Front house 1923; rear building 1987
ZONING	LARD1.5
RENT CONTROL	Front house (1923) is under the LA RSO; rear building is not under RSO.
PARKING	3 garage spaces + 2 driveway spaces. The front house has both driveway spaces and one garage space; the other two garage spaces are unassigned.
HEATING / COOLING	Ductless
LAUNDRY	Common-area laundry room (about $250/yr income)
METERS	Gas: 1054 and 1054½ share a gas meter; 1056 and 1058 each have their own gas meters. Electric: the two lower units share meters. Water: one meter for the property; seller pays the entire water bill.
AREA	Vista Del Oro
DIRECTIONS	Western Ave to 25th St, left on Leland St, right on 23rd St



FRONT HOUSE (1054)


REAR BUILDING



LAUNDRY ROOM

Upgrades

Full renovation of the three rear units; new water heaters and appliances; termite tenting (May 2023); exterior paint; vinyl gates; garage door; upgraded drainage. The rear units also have new kitchens, baths, flooring, paint and appliances, and the property has new rain gutters.


1054
1054
1056
1058







UNIT 1056 ENTRY



UPPER UNIT ENTRY



REAR PATIO



REAR BUILDING



GARAGES



AERIAL

Rent roll

UNIT	TYPE	LOCATION	STATUS	CURRENT RENT / MO	LEASE AND NOTES	PRO FORMA / MO
1054	2 bd / 1 ba front house	Front, lower	Occupied	$2,135.40	Month-to-month. Can be raised in February.	$3,500
1054½	1 bd / 1 ba	Rear, lower	Vacant, furnished	$2,117.70	Vacant. Prior rent $2,117.70; furnished-rental estimate $2,100–$2,200/mo	$2,350
1056	1 bd / 1 ba	Rear, upper	Occupied	$1,800	Can be raised in June. Lease 6/12/2026–6/30/2027. Pays its own gas and electric.	$2,350
1058	1 bd / 1 ba	Rear, upper	Occupied, furnished	$2,100	Furnished. Can be raised in April. Lease 4/6/2026–3/31/2027; lease rent $2,200. Landlord pays utilities.	$2,350
Total	**4 units**			**$8,153.10**		**$10,550**

Unit 1054½ is vacant and shown at its prior rent of $2,117.70, within the $2,100–$2,200/mo furnished-rental range. Pro forma rents are projections for illustration, not guarantees. Other income: laundry about $250/yr. Copies of leases and tenant ledgers are available to qualified buyers on request.

Lease and utility notes. The front-unit (1054) lease says the tenant pays all utilities except water, with a $50/month credit. The owner has not enforced this and has covered utilities as a courtesy, so it can be reverted to the lease terms at any time. 1056 pays its own gas and electric. Gas for 1058 is paid by the seller as a furnished rental. The two lower units share electrical meters. The seller has quotes of about $5,000–$6,000 to separate all electrical meters and add a common-area/laundry meter; a sub-meter is an option for a few hundred dollars.

Income

	CURRENT	PRO FORMA
Scheduled rent (monthly × 12)	$97,837.20	$126,600
Laundry income (approx.)	$250	$250
Vacancy allowance	Not applied	Not applied
Gross operating income	**$98,087.20**	**$126,850**

Net operating income and returns

	CURRENT	PRO FORMA
Net operating income (GOI − expenses)	$75,733.84	$104,496.64
Cap rate (NOI ÷ $1,399,000)	5.41%	7.47%
GRM (price ÷ scheduled annual rent)	14.30	11.05
Expenses per unit	$5,588.34	$5,588.34

Pro forma holds expenses at current levels. It doesn't model the front-unit utility reversion or meter separation.

Operating expenses (annual)

EXPENSE	ANNUAL
Property taxes & insurance (current impound: $1,362.78/mo × 12)	$16,353.36
Utilities, whole property ($450/mo × 12)	$5,400
Landscaping ($50/mo × 12)	$600
Total operating expenses	**$22,353.36**

Property taxes: the impound reflects the current owner's assessment. Taxes will be reassessed at the purchase price on transfer, including on a loan assumption. Buyer to verify with LA County Assessor.

Assumable VA loan

LENDER / SERVICER	M&T Bank
LOAN TYPE	VA, assumable
APPROX. PRINCIPAL BALANCE	$1,135,000
INTEREST RATE	4.75%
MATURITY	January 2053 (about 26 years remaining)
PRINCIPAL & INTEREST	about $6,431/mo ($77,172/yr)
ESCROW (TAXES & INSURANCE)	about $1,363/mo ($1,362.78)
TOTAL MONTHLY PAYMENT	about $7,810 ($7,809.98)
ASSUMPTION TIMELINE	45–75 days
ASSUMPTION FEE	To be confirmed with M&T

Assumption at the asking price

	AMOUNT
Offering price	$1,399,000
Less: assumed loan balance (approx.)	−$1,135,000
Cash to loan, before closing costs	$264,000 (18.9%)
Current NOI (page 7)	$75,733.84
Annual P&I on assumed loan	$77,172

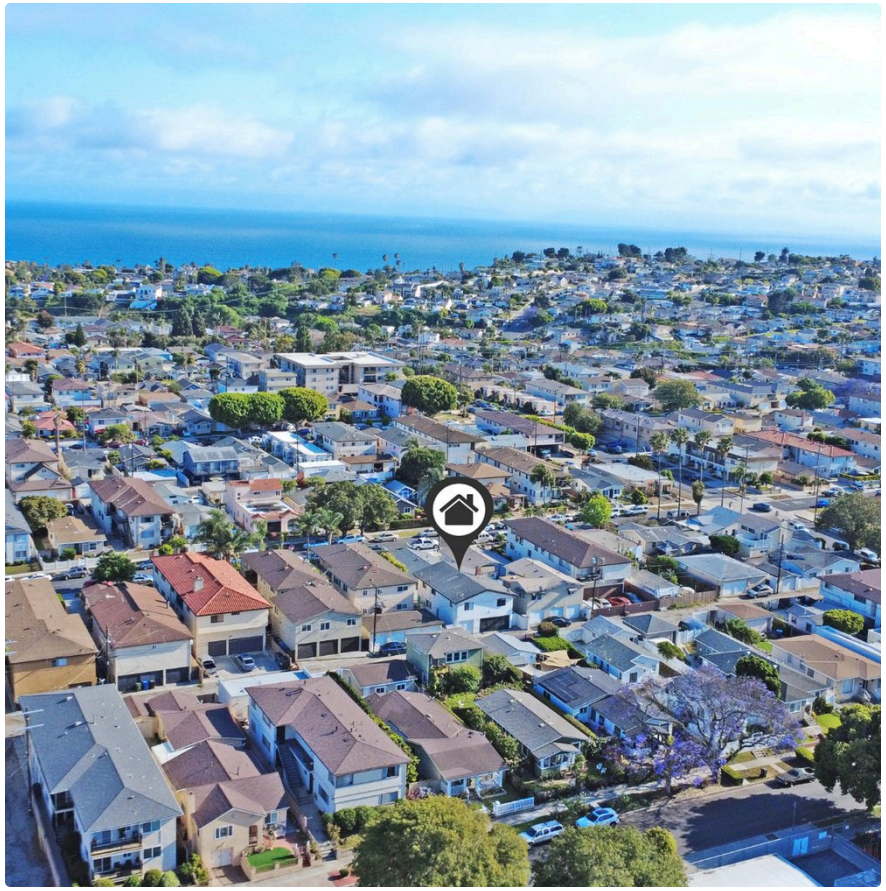
Eligibility and process notes

- Assumption requires M&T approval of the buyer's credit and income.
- M&T requires the buyer to **owner-occupy** a unit.
- The escrow payment will be re-set after the tax reassessment.

San Pedro, CA 90731

San Pedro sits at the southern end of the Palos Verdes Peninsula on the Port of Los Angeles. 1054 W 23rd Street is in the Vista Del Oro area, a residential grid of single-family homes and small income properties west of Gaffey Street.

- **West Harbor:** the waterfront redevelopment of the former Ports O' Call site on the main channel, minutes from the property.
- **Downtown San Pedro:** restaurants, the First Thursday art walk, the Warner Grand Theatre and the Battleship IOWA Museum.
- **Coast and parks:** Cabrillo Beach, Point Fermin Park and Lighthouse, and the Cabrillo Marine Aquarium.
- **Access:** Western Avenue and Gaffey Street to the Harbor Freeway (I-110).



AERIAL LOOKING SOUTH OVER THE NEIGHBORHOOD

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Let's Talk

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